

DAN BURTON, INDIANA,
CHAIRMAN

BENJAMIN A. GILMAN, NEW YORK
CONSTANCE A. MORELLA, MARYLAND
CHRISTOPHER SHAYS, CONNECTICUT
ILEANA ROS-LEHTINEN, FLORIDA
JOHN M. MCHUGH, NEW YORK
STEPHEN HORN, CALIFORNIA
JOHN L. MICA, FLORIDA
THOMAS M. DAVIS, VIRGINIA
MARK E. SOUDER, INDIANA
STEVEN C. LATOURETTE, OHIO
BOB BARR, GEORGIA
DAN MILLER, FLORIDA
DOUG OSE, CALIFORNIA
RON LEWIS, KENTUCKY
JO ANN DAVIS, VIRGINIA
TODD RUSSELL PLATTS, PENNSYLVANIA
DAVE WELDON, FLORIDA
CHRIS CANNON, UTAH
ADAM H. PUTNAM, FLORIDA
C.L. "BUTCH" OTTER, IDAHO
EDWARD L. SCHROCK, VIRGINIA
JOHN J. DUNCAN, JR., TENNESSEE

ONE HUNDRED SEVENTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON GOVERNMENT REFORM

2157 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6143

MAJORITY (202) 225-5074
FACSIMILE (202) 225-3974
MINORITY (202) 225-5051
TTY (202) 225-6852

www.house.gov/reform

April 4, 2002

HENRY A. WAXMAN, CALIFORNIA,
RANKING MEMBER

TOM LANTOS, CALIFORNIA
MAJOR R. OWENS, NEW YORK
EDOLPHUS TOWNS, NEW YORK
PAUL E. KANJORSKI, PENNSYLVANIA
PATSY T. MINK, HAWAII
CAROLYN B. MALONEY, NEW YORK
ELEANOR HOLMES NORTON,
DISTRICT OF COLUMBIA
ELIJAH E. CUMMINGS, MARYLAND
DENNIS J. KUCINICH, OHIO
ROD R. BLAGOJEVICH, ILLINOIS
DANNY K. DAVIS, ILLINOIS
JOHN F. TIERNEY, MASSACHUSETTS
JIM TURNER, TEXAS
THOMAS H. ALLEN, MAINE
JANICE D. SCHAKOWSKY, ILLINOIS
Wm. LACY CLAY, MISSOURI
DIANE E. WATSON, CALIFORNIA

BERNARD SANDERS, VERMONT,
INDEPENDENT

MEMORANDUM FOR MEMBERS OF THE SUBCOMMITTEE ON ENERGY POLICY, NATURAL RESOURCES AND REGULATORY AFFAIRS

FROM: Doug Ose 

SUBJECT: Briefing Memorandum for April 11, 2002 Hearing, "Paperwork Inflation - The Growing Burden on America"

On Thursday, April 11, 2002, at 9:30 a.m., in Room 2247 Rayburn House Office Building, the Subcommittee on Energy Policy, Natural Resources and Regulatory Affairs will hold a hearing on paperwork reduction. The hearing is entitled, "Paperwork Inflation - The Growing Burden on America."

To reduce paperwork imposed on the public, in 1942, Congress established a centralized review function for proposed paperwork. The Federal Reports Act (FRA) required the Bureau of the Budget (which became the Office of Management and Budget (OMB)) to review and approve agency paperwork proposals. In 1980, the Paperwork Reduction Act (PRA) replaced the FRA and established an Office of Information and Regulatory Affairs (OIRA) in OMB, whose principal responsibility is paperwork reduction. The PRA was principally intended to "minimize the paperwork burden for individuals, small businesses, educational and nonprofit institutions, Federal contractors, State, local and tribal governments, and persons resulting from the collection of information by or for the Federal Government."

Attached is a chart which shows three laws which Congress initiated from 1995 to 2000 requiring OMB to issue paperwork reduction reports, and OMB's issuances. In 1995, Congress reauthorized the PRA and set government-wide paperwork burden reduction goals for Fiscal Years (FYs) 1996 to 2001. After annual increases in paperwork, instead of decreases, in 1998, Congress, in a provision in the 1999 Treasury-Postal Appropriations Act, required OMB to issue a report identifying specific expected paperwork reduction accomplishments in FYs 1999 and 2000. OMB's 1999 report only identified a limited number of specific expected reductions. For example, the Internal Revenue Service (IRS), which accounts for over 80 percent of the government-wide paperwork burden on Americans, identified no specific expected reductions in tax paperwork in FY 2000.

As a consequence, in 2000, Congress, in Section 518 of the 2001 Treasury-Postal Appropriations Act, required OMB to issue a report evaluating paperwork imposed by agency regulations ("regulatory paperwork"), including each major rule imposing over 10 million hours of burden, and identifying specific expected reductions in regulatory paperwork in FYs 2001 and 2002. OMB's August 2001 report did not fully respond to the statutory requirements. In fact, OMB limited its evaluation to only two major rules -- both from the Department of Labor (DOL) -- issued since March 1996. The statute did not include a March 1996 starting date for covered major rules. In fact, the Subcommittee identified an additional 15 non-IRS and 40 IRS covered major rules, which each impose more than 10 million hours of burden. These rules were issued by an additional seven agencies.

During 2001, the Subcommittee sent five oversight letters to OMB on paperwork reduction. In April, the Subcommittee asked about OMB's willingness to disclose its role in paperwork reduction, similar to its disclosures relating to OMB's regulatory reviews. In May and June, the Subcommittee sent joint letters to OMB and the Department of the Interior (DOI) about Bureau of Reclamation and Fish and Wildlife Service paperwork, respectively. The Subcommittee asked for OMB and DOI to work jointly with the Department Agriculture (USDA) to eliminate any duplicative reporting. In September, the Subcommittee criticized OMB's August FY 2001 Information Collection Budget (ICB) report (i.e., for the FY ending the next month), which included its Section 518 report. The Subcommittee wrote, "The number of specific paperwork reduction initiatives, especially for information collections imposing huge burdens, is disappointing and the number of unresolved Paperwork Reduction Act (PRA) violations (including one dating back to 1978 and two from the 1980s) is of significant concern." As a consequence, the Subcommittee asked for OMB to provide an expected date of resolution for each outstanding violation of the PRA law. In October, the Subcommittee asked OMB for a status report on all of these issues.

On the same day in October, OMB issued its annual OMB ICB Bulletin so that OMB could compile the FY 2002 ICB. However, unlike prior OMB ICB Bulletins, OMB reduced from 27 to 15 the number of agencies required to make submissions and be subject to paperwork budget controls. For example, OMB deleted three independent regulatory commissions (IRCs): the Federal Communications Commission, the Federal Trade Commission (FTC), and the Securities and Exchange Commission (SEC). Since the IRCs are independent of the Executive Branch, the President's regulatory reviews executive order does not require the IRCs to submit their proposed regulations for OMB review. However, the PRA requires an active oversight role by OMB, including OMB review and approval of all proposed paperwork to be imposed by the IRCs. In fact, OMB's December 2001 regulatory accounting report reveals that the SEC levies the third most non-IRS paperwork on the public. The only agencies which exceed the SEC are the Department of Health and Human Services and DOL. The FTC also levied more paperwork than eight of the 15 department and agencies covered in the FY 2002 ICB Bulletin.

OMB's ICB Bulletin also stated, "In the interests of reducing the administrative burden of the ICB on you [the agencies], we have significantly reduced from previous years the amount

of information we are requesting” (p. 1). Instead of directing agencies to reduce paperwork by a given percent, OMB asked agencies to achieve the “maximum practicable” reductions (p. B-1). Less detailed ICB submissions on last FY’s paperwork reduction successes and this FY’s initiatives were due from the 15 agencies on November 30th. Hopefully, OMB’s FY 2002 ICB report (for the FY ending September 30, 2002) will be provided to the Subcommittee in time for the hearing.

The invited witnesses for the April 11, 2002 hearing are: IRS Commissioner Charles Rossotti; OMB’s OIRA Administrator John Graham; Vic Rezendes, Managing Director, Strategic Issues, GAO; Scott Cameron, Deputy Assistant Secretary for Performance and Management, DOI; USDA (invited to send a political appointee); Kenneth A. Buback, Vice President Human Resources, Sutter Health, California, representing the Society for Human Resource Management; and James Wordworth, President, J.R.’s Goodtimes, Inc., McLean, Virginia, representing the U.S. Chamber of Commerce.

Attachment

Laws Requiring Paperwork Reduction Reports and OMB Issuances: FYs 1996-02

Date of Law	for FY	Due Date	OMB Issuance	Required Content for OMB
1/4/95 Paperwork Reduction Act (PRA)	1996 1997 1998 1999 2000 2001	annual annual annual annual annual annual	9/97 ICB none 7/98 ICB 4/99 ICB 4/00 ICB 8/01 ICB	“annual Governmentwide goal for the reduction of information collection burdens by at least 10% during each of FYs 1996 & 1997 and 5% during each of FYs 1998, 1999, 2000, & 2001”
10/21/98 FY 99 Treasury - Postal Appropriations Act	1999 2000	3/31/99 -	4/99 in ICB 4/00 in ICB	“submit a report by 3/31/99 ... that (1) identifies specific paperwork reduction accomplishments expected, constituting annual 5% reductions in paperwork expected in FY 1999 & FY 2000”
12/21/00 FY 01 Treasury - Postal Appropriations Act (Sec. 518)	2001 2002	7/1/01 -	8/01 in ICB ?	“Not later than 7/1/01 ... submit a report ... that (1) evaluates, for each agency, the extent to which implementation of [the PRA] has reduced burden imposed by rules issued by the agency, including the burden imposed by each major rule issued by the agency; (2) ... evaluates the burden imposed by each major rule that imposes more than 10 million hours of burden, and identifies specific reductions expected to be achieved in each of FYs 2001 & 2002 in the burden imposed by all rules issued by each agency that issued such a major rule”

Abbreviations

FY = Fiscal Year

ICB = Information Collection Budget

OMB = Office of Management and Budget